



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: December 10, 2009
AGENDA DATE: December 17, 2009
PROJECT ADDRESS: 3714-3744 State Street (MST2007-00591)
 "Sandman Inn Redevelopment"
TO: Planning Commission
FROM: Planning Division, (805) 564-5470
 Danny Kato, Senior Planner *DK*
 Allison De Busk, Project Planner *AD*

I. PROJECT DESCRIPTION

The project consists of the demolition of the existing 113 room Sandman Inn Hotel, Downtown Brewing Co. restaurant building, and all site improvements, and the construction of a new office complex consisting of 13,075 net square feet on Lot A, and two commercial condominiums totaling 1,537 net square feet and 73 residential condominium units on Lot B.

Ingress and egress for the offices would be provided by a driveway located on State Street between the offices and the commercial condominiums. This driveway would also provide secondary access to the residential units. Primary ingress and egress for the residential condominiums would be provided by a separate driveway on State Street at the eastern property line, leading to the underground parking garage. Access to the Town and Country Apartments (APN 053-300-032), which are located immediately north of the subject parcels, is currently provided through the project site. The proposed project would include permanent closure of that access. Access to the Town and Country Apartments would be provided by a new driveway on San Remo Drive, necessitating demolition of one unit of an existing duplex on a parcel north of the project site. The construction of this new driveway for the Town and Country Apartments is not a part of this application (MST2007-000591) but is considered in the CEQA environmental review, as it is a direct result of the proposed project.

The office development on Lot A would be contained within a two-story building with a maximum height of approximately 31 feet. A majority of the parking (46 of 63 required spaces) would be provided in an at-grade parking lot located behind the building. The remaining required parking spaces would be located along the at-grade driveway (3 spaces), in an existing adjacent parking lot onsite (4 spaces), and in the proposed underground parking garage on Lot B (10 spaces).

The commercial development on Lot B would have a maximum height of approximately 24 feet. Parking would be provided along the proposed at-grade driveway (5 spaces) and in the underground parking garage (3 spaces).

The residential development on Lot B would have a maximum height of 35 feet above finished grade, with parking provided in an underground parking garage. Of the 73 residential condominium units, two units would be one-bedroom units of approximately 873 square feet, 52 units would be two-bedroom units of between 1,080-1,350 square feet, and 19 units would be three bedroom units of between 1,425-1,520 square feet. The applicant proposes to provide 11 of the 73 project units (2 one-bedroom units, 5 two-bedroom unit and 4 three-bedroom units) at sales prices targeted to middle-income households earning from 120-160% of area median income, pursuant to the City of Santa Barbara's Affordable Housing requirements. The residential development would also include a Community Room of approximately 1,200 square feet, an enclosed service area and common open space areas located east and west of the driveway turn-around.

II. REQUIRED APPLICATIONS

The discretionary applications required for this project are:

1. A Lot Line Adjustment to transfer 2.22 acres from APN 053-300-031 to APN 053-300-023.

For the Office Portion:

2. A Development Plan to allow construction of a building of 10,000 square feet or more of total floor area in the C-P Zone (SBMC §28.54.120).

For the Condominium Portion:

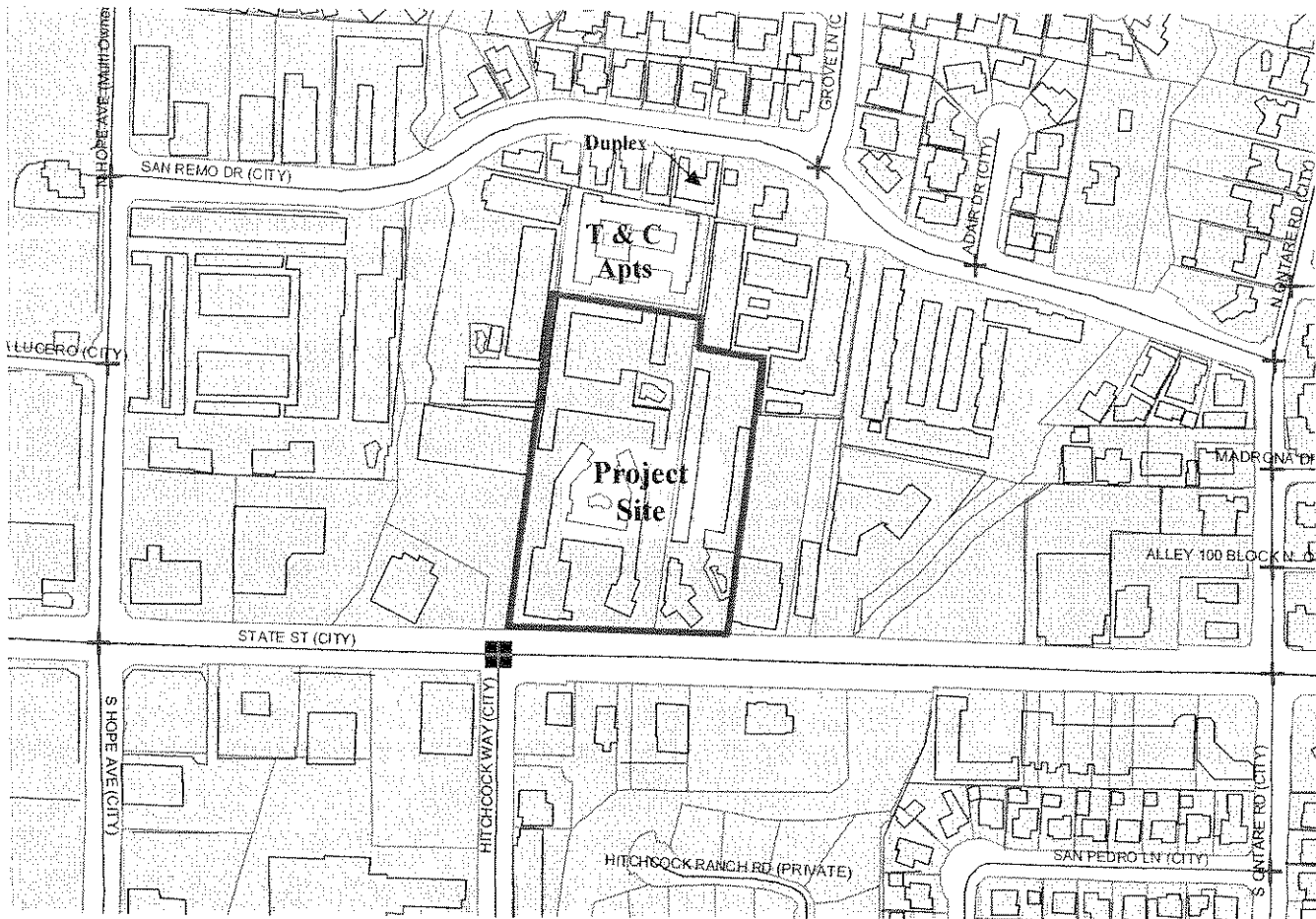
3. A Modification of the lot area requirements to allow one over-density unit (bonus density) on a lot in the C-P/S-D-2, R-3/S-D-2 and R-4/S-D-2 zone districts (SBMC Section 28.92.110.A.2).
4. A Tentative Subdivision Map (TSM) for a one-lot subdivision to create 73 residential condominium units and two commercial condominium units (SBMC Chapters 27.07 and 27.13).

III. RECOMMENDATION

The proposed project conforms to the City's Zoning and Building Ordinances and policies of the General Plan. In addition, the size and massing of the project are consistent with the surrounding neighborhood. Therefore, Staff recommends that the Planning Commission certify the Final Environmental Impact Report (EIR), and approve the project, making the findings outlined in Section IX of this report, and subject to the conditions of approval in Exhibit A.

DATE ACTION REQUIRED:

Within 50 days of Final EIR Certification



Vicinity Map - 3714-3744 State Street

IV. BACKGROUND / HISTORY

This project has gone through several iterations as part of the development review process. The following is a brief history of the project changes:

- The original proposal, submitted in 2003, consisted of construction of a three-story 113-room hotel and 64 residential condominiums (28 one-bedroom units and 36 two-bedroom units). It included underground parking for the hotel, and required front setback modifications for the hotel and residential development. The Planning Commission conceptually reviewed this version on July 17, 2003.
- In 2004, the project was revised such that some of the residential parking was relocated underground, and an interior setback modification was requested for portions of the residential development.
- In 2005, the project was revised to a three-story 112-room hotel and 73 residential condominiums (22 one-bedroom units, 14 two-bedroom units and 37 three-bedroom units). Access to the hotel was relocated to a driveway at the center of the site, and all residential parking was placed underground, with access at the eastern property line. The previously

requested interior setback modification request was eliminated. This version of the project was analyzed in an Initial Study, and an environmental scoping hearing was held on February 8, 2007. Although a Request for Proposals for preparation of an EIR was sent out, no consultant was ever hired, and the project was essentially put on hold pending conclusion of the Upper State Street Study.

- In November 2007, the hotel was revised to 106-rooms and the previously requested front setback modification was eliminated from the project. A revised Initial Study was prepared for this project, and an environmental scoping hearing was held on June 12, 2008.
- In 2008, prior to preparation of the EIR, the applicant submitted an "Applicant's Alternative" for consideration in the EIR, which consisted of construction of 14,254 square feet of office space in two two-story buildings and 73 residential condominiums (18 one-bedroom units, 14 two-bedroom units and 41 three-bedroom units). Parking for the offices was proposed in an at-grade parking lot behind the buildings, and residential parking remained underground. A concept review hearing was held on May 14, 2009, concurrent with the Draft EIR hearing.

The current project proposal was submitted on September 22, 2009 to respond to comments made by the Planning Commission and Architectural board of Review, and is very similar to the "Applicant's Alternative" described above. The primary changes, as compared to the Applicant's Alternative, include: adding office condominiums along State Street in place of open space area, and moving that open space area towards the center of the site; changing the residential unit mix to primarily two-bedroom units; and redesigning the underground garage, which now includes more open parking and common stairwells and elevators.

V. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

Applicant:	Brent Daniels, L&P Consultants	Property Owner:	Kellogg Associates
Parcel Number:	053-300-023 and -031	Lot Area:	4.58 acres
General Plan:	General Commerce/Offices, Buffer, Residential - 12 units per acre	Zoning:	CP, R-3, R-4, SD-2 overlay
Existing Use:	hotel, restaurant, commercial	Topography:	flat
Adjacent Land Uses:			
North – residential		East – commercial	
South – State Street and commercial		West – office, commercial	

B. PROJECT STATISTICS

		Proposed	
Non-Residential Square Footage	14,612 net sq. ft.	Offices	13,075 sq. ft.
		Commercial Condos	1,537 sq. ft.
Residential Square Footage	91,081 net sq. ft. (includes 1,185 net sq. ft. community room)	1 Bd units (2)	873 sq. ft. ea.
		2 Bd units (52)	1,080 – 1,350 sq. ft. ea.
		3 Bd units (19)	1,425 – 1,520 sq. ft. ea.
TOTAL	105,693 net sq. ft.		

VI. ZONING ORDINANCE CONSISTENCY

Standard	Requirement/ Allowance		Proposed	
	Lot A	Lot B	Lot A	Lot B
Lot Area	14,000 sq. ft. min.		43,458 sq. ft.	156,054 sq. ft.
Lot Frontage	60 ft. min. on public street		228 ft.	144.5 ft.
Setbacks				
Front	20 ft	20 ft	20 ft	20 ft
Interior	None Required	1- or 2-story bldg = 6 ft, 3-story bldg = 10 ft ¹	10 ft. min.	Generally 10 ft; 7 ft (1 st floor) for buildings with small 3 rd floor ¹
Rear	None Required	1 st floor = 6 ft, 2 nd and 3 rd floor = 10 ft	2 ft min. to trash enclosure	10 ft
Building Height	45 feet, 3 stories		31 feet, 2 stories	35 feet, 3 stories
Parking	63 spaces	Commercial = 8 spaces Residential = 163 spaces	63 spaces	Commercial: 8 spaces Residential: 163 spaces Extra: 7 shared spaces
Density	63 market-rate units ²			
	12 market-rate units	51 market rate units	0 units ³	73 units (62 market-rate units, 11 affordable units) ³

¹ If the net floor area of the third floor is less than 50% of the net floor area of the first floor building footprint, the interior setbacks shall be reduced to: 1st and 2nd floor = 6 ft, 3rd floor = 10 ft.

² Refer to attachment E for a detailed breakdown of allowed density.

³ Entire residential density allowance transferred to Lot B as part of the Lot Line Adjustment.

15% Common Open Space	N/A	23,408 sq. ft.	N/A	25,883 sq. ft.
Private Outdoor Living Space	N/A		N/A	At least 190 sq. ft. per unit
Lot Coverage -Building -Paving/Driveway -Landscaping	N/A		7,483 sq. ft. 17.2%	57,217 sq. ft. 36.7%
	N/A		26,527 sq. ft. 61.1%	50,366 sq. ft. 32.3%
	N/A		9,448 sq. ft. 21.7%	48,471 sq. ft. 31.0%
	N/A		64,700 sq. ft.	32.5%
	N/A		76,893 sq. ft.	38.5%
	N/A		57,919 sq. ft.	29.0%

The proposed project would meet the requirements of the CP, R-3, R-4 and SD-2 Zones, as applicable, with the exception of lot area. Please see Lot Area Modification discussion below.

A. INCLUSIONARY HOUSING ORDINANCE

Under the Inclusionary Housing Ordinance, for any project with 10 or more market-rate dwelling units, 15% of the total market-rate units must be constructed and offered for sale as inclusionary units restricted for owner-occupancy by either Middle Income or Upper Middle Income Households. In this case, the requirement is being met by the provision of nine (9) Middle Income units (15% of 62 is 9). Applicants who propose inclusionary housing units as part of the project are entitled to a density bonus for the number of inclusionary units provided onsite. Also, the proposed project is consistent with the requirement that the affordable units be integrated into the development and that the affordable units equal or exceed the average number of bedrooms in the market rate units.

B. LOT AREA MODIFICATION

Since the Inclusionary Housing Ordinance (IHO) applies to the project, the lot area modification is only necessary to provide the one affordable unit that is above and beyond both the site's density allowances and the requirements of the Inclusionary Housing Ordinance. As identified in the Zoning Ordinance Consistency Table above, the project site has an allowed maximum residential density of 63 market-rate units. The project is proposing 62 market-rate units. The project also includes nine inclusionary housing units pursuant to the requirements of the IHO (see discussion above). Two additional affordable units are proposed as part of the project. One of these units can be counted as part of the site's allowed density (63 units), while the other unit requires a modification because it exceeds the maximum density allowed on the site (exclusive of the IHO requirements). Staff is supportive of this lot area modification because it allows for the creation of an additional Middle Income housing unit in the City, while the overall site layout and design remains compatible with surrounding development.

C. LOT LINE ADJUSTMENT

As part of the proposed Lot Line Adjustment, the applicant must allocate their non-residential square footage for tracking pursuant to SBMC §28.87.300.

Measure E – Non-Residential Square Footage

The project site (two parcels) currently contains approximately 52,000 square feet of existing non-residential development. Each of the two parcels is also entitled to 3,000 square feet of minor and small addition square footage. The applicant has proposed to allocate all existing development rights to Lot A, and each newly adjusted lot would retain their 3,000 square feet of minor and small addition square footage.

The proposed development of Lots A and B would utilize some of this development potential; however, Lot A would retain a large amount of non-residential square footage. Under the current Development Plan and Transfer of Existing Development Rights Chapters of the Zoning Ordinance, this square footage could be transferred to another parcel for use in a non-residential development. This would require future approval of a Development Plan and Transfer of Existing Development Rights. Please note that the applicant would have the option of transferring the non-residential area as either hotel rooms or square footage.

Residential Development Potential

As part of the Lot Line Adjustment, the applicant has proposed to allocate all residential density to Lot B. This proposed transfer of density will be recorded as part of the Lot Line Adjustment. Staff is supportive of this proposal as it does not increase the overall development potential of the site.

VII. ISSUES

A. DESIGN REVIEW

This project was reviewed by the ABR on five separate occasions (three times to consider the originally proposed hotel/residential project, and two times to review the office and residential development).

The most recent and relevant review occurred on November 16, 2009. At this meeting, the ABR expressed support for the project, and stated that the project was moving in a very positive direction. They noted that the site planning was good, and the mass, bulk and scale were appropriate. The project was found to comply with the Compatibility Criteria and be consistent with the City Charter and applicable Design Guidelines. Suggestions were made to study the mail area, Community Room, and garage ramp and stairwells, as well as the architectural detailing to add variety. Minutes from this meeting are attached as Exhibit F. All prior ABR meeting minutes are included as Exhibit G.

Upper State Street Area Design Guidelines

In 2009, the Upper State Street Area Design Guidelines were updated to reflect the direction that came out of the Upper State Street Study. The EIR prepared for the project includes an extensive analysis of the project's compliance with the original Design Guidelines (1992); however, the updated Design Guidelines were adopted following completion of the EIR, so no specific analysis of the updated Design Guidelines was prepared. As the updated Design Guidelines are based closely on the direction provided in the Upper State Street Study, please

refer to that analysis as provided in Appendix 5.0 of the EIR (Exhibit D) and in the following section of this staff report. Particularly related to three-story buildings, the Guidelines identify the following development features as contributing toward achieving a size, mass, bulk and scale that is compatible with development in the Upper State Street Area:

- View opportunities or easements.
- Usable open space.
- Pedestrian amenities.
- Improved circulation and connectivity.
- Long-term easements, operations and maintenance agreements to assure pedestrian and transit amenities and future transit improvements and tight-of-way needs.
- Removal of parking lot barrier between separate properties.

Staff believes that the project provides many of these features and is therefore consistent with this guideline. Overall, staff finds that the project is consistent with the Guidelines, specifically related to site planning, parking layout, public streetscape and mountain views. A list of applicable Upper State Street Area Design Guidelines' Goals is attached as Exhibit O for reference.

B. UPPER STATE STREET STUDY

The Upper State Street Study (USSS) was adopted by the City Council on May 8, 2007. The purpose of the USSS was to identify improvements to benefit urban design and transportation, and to provide guidance for review of development applications. The following discussions address key aspects of the USSS as it related to the proposed project. A complete analysis of all USSS direction and improvement measures is provided in Section 5.5.4 and Appendix 5.0 of the EIR (Exhibit D).

Building Height Limits

The USSS calls for the establishment of decision-maker findings for approval of three-story buildings. The Study proposes findings that would require that three-story buildings should only be approved when substantial community benefits are provided by the project. Although the specific findings have not yet been established by the City Council, some of the possible community benefits cited in the Study include: views, open space, creek buffers, pedestrian amenities, improved circulation or connectivity, and/or affordable housing.

The residential development proposed as part of this project includes three-story buildings. Staff believes that the project's provision of affordable housing (nine middle-income units as required by the Inclusionary Housing Ordinance, plus two additional middle-income units) is a community benefit that warrants consideration of the three-story buildings. In addition to the affordable units, the project is providing all residential parking in an underground parking garage, which opens up the site and allows for provision of additional open space for residents; and the three-story buildings are set back from the street, which minimizes their impact on mountain views from public viewing locations. Additionally, the portion of the project closest to the intersection of Hitchcock Way and State Street has been reduced to one story in order to maximize mountain views from the south side of this intersection.

Left-Turn Lane / Median Extension

The USSS recommends that the existing raised median along State Street between Hitchcock Way and Ontare Road be extended in order to improve the flow of traffic along this block. Generally, the purpose of the additional raised medians along State Street is to reduce the number of mid-block conflict points between through- and turning traffic. The USSS concludes that adding the raised medians would smooth mid-block traffic flow and reduce vehicle collisions caused by mid-block left turns; however, it could also affect access and emergency response. Additional medians mean more U-turns at area intersections, which would slightly lower the level of service at signalized intersections. The concept plan presented in the USSS showed two median openings provided between Hitchcock Way and Ontare Road. The preferred median opening(s) is midway between the traffic signals in order to minimize impacts on left turns from queues at the downstream traffic signals, or at locations where a large volume of left turn traffic is expected.

The project proposes to reduce the length of the existing State Street median in order to create an eastbound left-turn lane into the proposed easternmost residential driveway. The applicant believes that the left turn lane is important to the project, and that it is consistent with the intent of the Upper State Street Study due to the scale of the development, the distance from the intersection and the reduction in on-site curb cuts.

This change to circulation along State Street was analyzed in the project's Environmental Impact Report (EIR). The EIR analysis concluded that the left-turn lane would result in a less than significant impact to traffic and circulation.

Even though the proposed left turn lane was not identified as creating a significant traffic impact for purposes of the CEQA analysis, the Traffic Study prepared as part of the EIR recommends that the left turn lane not be installed because:

- the lane would be located relatively close to the Hitchcock intersection, and would provide minimal car storage capacity;
- the left turn lane would preclude future expansion of the existing westbound to southbound left turn lane at the State Street/Hitchcock Way intersection,
- the remaining median would be too narrow to place the necessary "No U-Turn" control sign,
- it would be difficult to control illegal U-turns at this location, and
- the project would not generate a large enough volume of left turn traffic to warrant the lane,
- the left-turn lane would eliminate median landscaping.

Furthermore, the Traffic Study recommends extending the existing median to at least the eastern property line in order to prevent illegal left turns into the site and reduce the potential for illegal U-turns to access the commercial driveway. Given all these factors, staff's recommendation is that the median be extended, rather than reduced. The proposed conditions of approval for the project include a requirement that the median be extended (Exhibit A).

Driveway Frequency / Spacing

The project proposes to reduce the number of driveways accessing the site from four to two. Eliminating driveways is recommended by the USSS in order to reduce access points that conflict with through traffic. The USSS recommends driveway spacing of at least 220 feet and a preferred spacing of 440 feet, locating driveways at median openings or offset by at least 150 feet, and locating driveways at least 110 feet from the intersection (ideally beyond the intersection turning lanes).

Although the project would reduce the number of driveways currently serving the site, the proposal would not be fully consistent with the recommended driveway spacing guidelines identified in the USSS. Due to the size and location of the parcel, it is not possible to have two driveways and comply with the spacing recommendations. The driveway spacing proposed by the project does not present a significant traffic impact for purposes of the CEQA analysis.

Staff and the Planning Commission have previously expressed a desire to access the site via the existing driveway at the northern end of the State/Hitchcock intersection. However, due to legal issues regarding the access easement, the applicant has indicated that that is not a feasible option.

Although the development could provide one driveway and have adequate access to the site, due to the number of residential units, the separate office development, the distance from the intersection and between the two driveways, and the overall site layout, staff does not believe that two driveways are excessive for the development. Staff finds that the project results in a net benefit related to driveway access points as compared to existing conditions, and therefore supports the two driveways in their proposed locations. Staff support for the two driveway proposal presumes the extension of the median and the elimination of left turns in to and out of the project site, as these changes would reduce potential conflicts along the State Street corridor.

C. COMPLIANCE WITH THE GENERAL PLAN

Before a condominium project and a tentative subdivision map can be approved, they must be found consistent with the City's General Plan. Please refer to Appendix 5.0 of the EIR (Exhibit D) for additional analysis of project compliance with the General Plan.

Land Use Element and Designation

The project site is located within the North State neighborhood, which is described as "an intensely developed commercial strip, with a scattering of multiple family residential development." The General Plan anticipated "little or no residential growth" in this area. A mix of commercial and office uses surround the project site to the east, south and west, with residential development located north of the project site.

The subject site has General Plan designations of General Commerce/Offices, Buffer, and Residential (12 units per acre). The commercial portion of the development is located entirely within the General Commerce designated area, which is consistent with the designation. Due to the application of variable density in the R-3 and R-4 zones, and the requirement for Inclusionary Housing units, the project density is approximately 20.4 units per acre based on

the condominium site area. If the entire 4.58-acre site is used for the calculation, the density is approximately 16 units per acre. The General Plan Land Use Element recognizes that, in zones where variable density standards apply, development may exceed the limit of 12 units per acre without causing an inappropriate increase in the intensity of activities. Therefore, the proposed project would be consistent with the Land Use Element of the General Plan.

The site also includes a Buffer designation, which runs horizontally across the middle of the site. The project has been designed to provide open space and common areas in the approximate location of the buffer, although there are four residential units along the western property line that prevent the open area from extending all the way across the site. There is no definition or description of Buffer in the General Plan; however, the Local Coastal Plan does provide a definition: "The purpose of this classification is to signify the need for a separation between potentially conflicting uses or an area of transition between land uses not directly compatible." Staff believes that the zoning ordinance properly implements the intent of this designation by requiring setbacks between certain uses and/or zones. Staff finds that the applicant's proposal adequately addresses the intent of the Buffer designation by providing separation of potentially incompatible uses. Additional discussion of the Buffer designation, including graphics, is provided in Section 5.5.2 of the EIR (Exhibit D).

Housing Element

The City Housing Element encourages construction of a wide range of housing types to meet the needs of various household types. This proposal, with primarily two to three bedroom units would satisfy that goal. In accordance with Housing Element Policy 3.3, which requires new development to be compatible with the prevailing character of the neighborhood, the proposed development would be compatible in scale, size and design with the surrounding neighborhood. The three-story development is 35 feet in height, and the three-story portions of the buildings have been set back approximately 40-50 feet from adjacent residential development to the north and set back more than 120 feet from State Street.

Circulation Element

The Circulation Element contains goals and policies that promote housing in and adjacent to commercial areas to facilitate the use of alternative modes of transportation and to reduce the use of the automobile. This project provides housing as well as commercial space in the State Street area and is, therefore, consistent with this land use direction. The project also includes a transit stop along the property frontage consistent with the goal of increasing the availability and use of transit, and the project includes widening the existing sidewalk/parkway width and removing two out of four driveway entrances, consistent with the Circulation Element and Pedestrian Master Plan. Bicycle parking will be provided on site for the commercial use, consistent with the zoning ordinance requirements.

D. TOWN AND COUNTRY APARTMENT ACCESS

Development of the site as proposed requires that the Town and Country Apartment access be relocated to San Remo, as it currently runs through the project site from State Street. Although this is not a formal part of the project, a condition of approval is proposed to ensure that the

relocation occurs prior to commencement of construction on the project site, to ensure uninterrupted access to the apartment parking.

E. DECORATIVE PAVING

The applicant has identified new paving at the corners and crosswalks at the State/Hitchcock intersection. The ABR expressed appreciation that this element was proposed as part of the project, and stated that highlighting the pedestrian walkways was a positive addition that benefits the City. However, the City is concerned about future maintenance of any such public improvements. Even if the applicant agrees to maintain the intersection in perpetuity, this can be difficult and cumbersome to enforce over the life of a project. Therefore, staff recommends a compromise treatment, such as enhanced crosswalk painting to identify the crosswalk more prominently, while also ensuring ease of maintenance. Final details would be worked out in plan check between the Applicant and the Public Works Department, and may require ABR approval depending on the proposed improvements.

VIII. ENVIRONMENTAL REVIEW

An Initial Study was prepared to evaluate the potential for the project to result in significant environmental impacts. The Initial Study determined that further study was needed to determine whether the project may have the potential to result in significant adverse visual aesthetic, transportation and circulation, and air quality (short-term) impacts. Based on this determination, an Environmental Impact Report (EIR) was required for the project. An EIR is intended by CEQA to be an informational document that is considered in conjunction with other planning documents and project analysis as part of the overall permitting process. The CEQA environmental review process has two overall purposes: first, to disclose environmental impacts so that the public and decision-makers consider the environmental consequences of a project before it is approved, and second, to avoid or reduce significant environmental effects to the extent feasible.

The Draft EIR contained analysis of visual aesthetics; traffic, circulation and parking; and air quality (short-term), as well as an in-depth analysis of applicable policy documents, including the General Plan, the Upper State Street Study and applicable Design Guidelines. This Draft EIR was released by the City for a 30-day public review and comment period between April 22, 2009 and May 22, 2009, and an environmental hearing was held by the Planning Commission on May 14, 2009 to receive public comment.

A proposed Final EIR has been prepared that includes changes in response to comments received on the Draft EIR (see Exhibit D). The proposed Final EIR concludes that the proposed project would not result in any significant, unavoidable (Class I) impacts. Refer to the proposed Final EIR for the complete analysis.

The proposed project would result in various significant, but mitigable impacts. Mitigation measures to avoid these impacts are described in the proposed Final EIR. Various adverse, but less than significant impacts would also occur as a result of the proposed project. All required mitigation measures have been included as proposed conditions of approval (see Exhibit A – Conditions of Approval). All applicable recommended mitigation measures have also been included as proposed conditions of approval to further avoid or reduce impacts.

Responses to Comments Received on the Draft Revised EIR

The City received 16 comment letters during the Draft EIR public review period, and comments were also made by the Planning Commission and the public at the Draft Revised EIR hearing held on May 14, 2009. Comments on the EIR covered a wide range of issues, including:

- Driveway spacing/location;
- Traffic (long-term, construction and cumulative);
- Circulation and left-turn lane;
- View impacts;
- Loss of mature vegetation/trees;
- Impacts to public services and resources;
- Density calculations;
- Open space and recreation;
- Stormwater runoff;
- Impacts to the jobs/housing balance;
- Air quality; and
- Environmentally superior alternative;

Although not related to the content of the EIR itself, comment letters also consistently noted a preference for the Applicant's Alternative over the Proposed Project. For a complete list of the comments received and all of the responses thereto, please refer to Section 12 of the proposed Final EIR.

EIR Certification and CEQA Findings

The California Environmental Quality Act (CEQA) requires that the Final EIR be certified by the Lead Agency (City) prior to actions approving the project. The City CEQA Guidelines provide for certification of EIRs by the Planning Commission, with this action appealable to the City Council. The required findings for EIR certification are included in Section IX below.

When the EIR identifies significant impacts, CEQA also requires that specified findings be made prior to approval of a project. This project does not have any significant unmitigable (Class I) impacts. For potentially significant but mitigable (Class II) impacts, findings that identify the impact and mitigation measures that would be applied to the project to reduce impacts to less than significant levels must be made. Required mitigation measures are applied as conditions of project permit approval.

The proposed project has been slightly revised from the Applicant's Alternative that was reviewed in the EIR (see Section IV above). However, these changes are minor in nature and do not change the scope or severity of any environmental impacts identified in the EIR for the Applicant's Alternative. Therefore the EIR addresses all project impacts, and all applicable mitigation measures remain the same.

IX. FINDINGS

The Planning Commission finds the following:

A. ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT (PER PUBLIC RESOURCES CODE (PRC) SECTION 21081 AND CALIFORNIA CODE OF REGULATIONS (CCR) SECTION 15090)

The Planning Commission certifies that:

1. The Final Environmental Impact Report for the Sandman Inn Redevelopment Project was presented to the Planning Commission of the City of Santa Barbara. The Planning Commission reviewed and considered the information contained in the Final Environmental Impact Report, along with public comment and responses to comments, and determined that the document constitutes a complete, accurate, and good faith effort toward full disclosure of the project's impacts and is an adequate environmental analysis of the project.
2. The Final Environmental Impact Report for the Sandman Inn Redevelopment Project has been completed in compliance with the California Environmental Quality Act and Guidelines.
3. The Final Environmental Impact Report for the Sandman Inn Redevelopment Project reflects the City of Santa Barbara Planning Commission's independent judgment and analysis.
4. The location and custodian of documents and materials that constitute the record of proceedings upon which this decision is based, is the City of Santa Barbara Community Development Department, Planning Division, 630 Garden Street, Santa Barbara, CA, which is also the Lead Agency.
5. A mitigation monitoring and reporting program (MMRP) is hereby adopted. Mitigation measures have been made enforceable through incorporation into the project description or are included as conditions of project approval.

Class II Impacts (Potentially Significant and Mitigated). Project elements incorporated as part of the project description and mitigation measures applied as conditions of project approval would result in the avoidance or substantial lessening of the following environmental impacts to less than significant levels. These findings are supported by substantial evidence in the record including the Final EIR.

- a. **Visual Aesthetics.** Removal of existing mature trees would affect the site's visual appearance. This impact would be reduced to a less than significant level by relocating existing mature trees on-site and replacing each mature tree removed with an appropriate replacement tree, as determined by the City's Architectural Board of Review.

- b. **Geologic Hazards:** The proposed project has the potential to be affected by ground shaking and other seismic hazards. This impact would be reduced to a less than significant level with the implementation of the recommendations in the Soils Engineering Report prepared for the project, as well as compliance with building code requirements that would minimize potential hazards associated with ground shaking.
- c. **Noise:** Residential units near State Street and/or the residential parking garage ramp may experience noise levels above 45 dBA (interior) and/or 60 dBA (exterior), and commercial uses adjacent to State Street and/or the commercial parking garage may experience noise levels above 50 dBA (interior). These impacts would be reduced to a less than significant level with the implementation of noise attenuation measures in building construction and in the parking ramp design. Construction noise also has the potential to impact adjacent residents, and mitigation measures to address construction hours, construction equipment sound, noise barriers and improvement to adjacent residential units have been included.
- d. **Public Services:** The project would result in the short-term generation of construction and demolition waste, and long-term generation of waste from residential and commercial uses. This impact will be reduced to a less than significant level with the implementation of a waste management plan and by designing adequate trash enclosures with recycling areas into the project.
- e. **Transportation and Circulation.** The project would result in circulation impacts along San Remo Drive resulting from relocation of the Town and Country Apartment access driveway. These impacts would be reduced to a less than significant level by improving sight lines on either side of the new driveway through vegetation removal and additional red curb area.
- f. **Water Environment:** The proposed project has the potential to result in significant short- and long-term water quality impacts. These impacts would be reduced to a less than significant level with the implementation of erosion control measures, compliance with standard City requirements, the use of storm drain surface pollutant interceptors, storm drain stenciling and incorporation of Best Management Practices.

Class III Impacts (Less than Significant). The proposed project would result in a less than significant impact in the following environmental issue areas, as identified in the Final EIR. Mitigation measures are incorporated as conditions of project approval to further reduce the level of impact, consistent with City policies. These findings are supported by substantial evidence in the record including the Final EIR.

- a. **Air Quality:** Short-term project-related grading and construction activities would result in fugitive dust and emissions from construction equipment that would be well below the established threshold of significance. Standard dust and emissions control measures to further reduce potential impacts are included as recommended mitigation measures and in the Conditions of Approval. Therefore, the project is anticipated to have a less than significant long-term air quality impact.
- b. **Biological Resources:** The project would result in the removal of trees from the project site. To minimize potential impacts to nesting birds, timing restrictions on tree removal are included as a recommended mitigation measure.
- c. **Cultural Resources:** The project involves ground-disturbing activities, which means there is a remote possibility of encountering unknown buried deposits. Standard mitigation requiring contractor notification of this potential would further reduce potential impacts.
- d. **Transportation/Circulation:** The proposed project would result in a short-term increase in traffic due to construction-related activities. This would constitute a change to existing conditions but would be a less than significant effect, and would be further reduced by construction haul route and parking mitigation measures. The project's proposal to include a left turn lane into the residential parking garage would result in less than significant impacts to circulation along State Street. To mitigate this impact, it is recommended that the existing median not be reduced to accommodate said left turn, and, further, that the median be extended to better restrict left-turns into the site. The project's long-term parking may not be fully utilized as designed, which may lead to future parking problems. This less than significant impact would be further reduced by assigning and signing specific parking stalls.

Findings for the Fish & Game Code

An Environmental Impact Report has been prepared by the lead agency (City of Santa Barbara), which has evaluated the potential for the proposed project to result in adverse effects, either individually or cumulatively, on wildlife resources. For this purpose, wildlife is defined as "all wild animals, bird, plants, fish, amphibians, and related ecological communities, including the habitat upon which the wildlife depends for its continued viability." The proposed project has the potential for adverse effects on trees and mature vegetation and associated wildlife during project construction. Mitigation measures have been applied such that any less than significant impacts will be further reduced. The project does not qualify for a waiver and is subject to payment of the California Department of Fish and Game fee.

B. THE LOT LINE ADJUSTMENT (Government Code §66412)

The proposed lot line adjustment is appropriate for the area and is consistent with the City's General Plan and Building and Zoning Ordinances. The lot line adjustment would adjust the line between the two parcels that are currently 3.22-acres (Lot 1) and 1.36-acres (Lot 2) in size by relocating the line such that the resultant parcels are 1.0-acre (Lot A) and 3.58-acres (Lot B) in size. The proposed parcels exceed the minimum lot area requirement, and satisfy all street frontage and setback requirements as identified in Section VI of the staff report.

C. LOT AREA MODIFICATION (SBMC §28.92.110)

The Modification of the lot area requirement to allow one (1) bonus density unit as part of the overall residential development is consistent with the purposes and intent of the Zoning Ordinance and is necessary in order to construct an additional housing unit that is affordable to a middle-income household, as described in Section VI.C of the staff report. Staff is supportive of this lot area modification because it allows for the creation of an additional Middle Income housing unit in the City, while the overall site layout and design remains compatible with surrounding development.

D. THE TENTATIVE MAP (SBMC §27.07.100)

The Tentative Subdivision Map is consistent with the General Plan and the Zoning Ordinance of the city of Santa Barbara as discussed in Section VII.C of the staff report and in Section 5 of the EIR. The site is physically suitable for the proposed development due to its flat topography and soil composition, the project is consistent with the density provisions of the Municipal Code and the General Plan as demonstrated in Section VI of the staff report, and the proposed use is consistent with the vision for this neighborhood of the General Plan because it provides additional office and/or commercial development and additional in-fill housing that is compatible in size and scale with surrounding development. The design of the project will not cause substantial environmental damage, and associated improvements will not cause serious public health problems, as identified in the EIR.

E. THE NEW CONDOMINIUM DEVELOPMENT (SBMC §27.13.080)

- a. There is compliance with all provisions of the City's Condominium Ordinance.
- b. The project complies with density requirements as described in Section VI of the staff report. Each unit includes laundry facilities, separate utility metering, adequate unit size and storage space, and the required private outdoor living space.
- c. The proposed development is consistent with the General Plan of the city of Santa Barbara as described in Section VII.C of the staff report.
- d. The project can be found consistent with policies of the City's General Plan including the Housing Element, Conservation Element, and Land Use Element, as described in Section VII.C of the staff report and Section 5.0 of the Environmental Impact Report. The project will provide infill residential development that is compatible with the surrounding neighborhood.

- e. The proposed development is consistent with the principles of sound community planning and will not have an adverse impact upon the neighborhood's aesthetics, parks, streets, traffic, parking and other community facilities and resources as explained in Section VIII of the staff report and in the Environmental Impact Report.
 - f. The project is an infill residential project proposed in an area where residential development is a permitted use. The project is adequately served by public streets, will provide adequate parking to meet the demands of the project and will not result in traffic impacts, as analyzed in the staff report and Environmental Impact Report. The design has been reviewed by the City's design review board, which found the architecture and site design appropriate.
- F. DEVELOPMENT PLAN (SBMC §28.54.120)**
- 1. The proposed non-residential development complies with all of the provisions of the Zoning Ordinance, as identified in Section VI of the staff report.
 - 2. The proposed non-residential development is consistent with the General Plan and the principles of sound community planning, as identified in Section VII.C of the staff report and the Policy Consistency Analysis contained in the Environmental Impact Report.
 - 3. The total area of the site and the setbacks of all facilities from the property and street lines are of sufficient magnitude in view of the character of the land and of the proposed development that major detrimental impact on surrounding properties is avoided to the greatest extent possible, as identified in Section VII.C of the staff report and in the Environmental Impact Report.
 - 4. The design and operation of the project and its components, including outdoor lighting and noise-generating equipment, will not be a nuisance to the use of property in the area, particularly residential use, as analyzed in the Environmental Impact Report. Final review of outdoor lighting and mechanical equipment will be provided by the Architectural Board of Review.
 - 5. Adequate access and off-street parking is provided in a manner and amount so that the demands of the development are met without altering the character of the public streets in the area. As identified in Section VI of the staff report, the project is providing all required parking on site, and additional parking spaces are proposed along the entry driveway. Access to the site is provided by two driveways, and a complete analysis of access and circulation is contained in the Environmental Impact Report.
 - 6. The appearance of the developed site in terms of the arrangement, height, size, bulk, scale and architectural style of the buildings, location of the parking areas, landscaping, and other features is compatible with the character of the area and of the City. Please refer to the analysis contained in Section VII.A of the staff report and in Sections 5.0, 8.0 and Appendix 5.0 of the Environmental Impact

Report, as well as the comments provided to-date by the Architectural Board of Review.

Exhibits:

- A. Conditions of Approval
- B. Site Plan, Floor Plans, Lot Line Adjustment and Tentative Map
- C. Applicant's letter, dated November 4, 2009
- D. Final Environmental Impact Report - Distributed Under Separate Cover and Available On-line at: http://www.santabarbaraca.gov/Resident/Environmental_Documents/3714-3744_State/
- E. Density Calculation
- F. ABR Minutes dated November 16, 2009 (current proposal)
- G. ABR Minutes dated February 23, 2009 (Applicant's Alternative), February 11, 2008, November 3, 2003 and October 27, 2003
- H. Planning Commission Minutes dated May 14, 2009 (Draft EIR hearing/concept review)
- I. Planning Commission Minutes dated June 12, 2008 (scoping hearing)
- J. Planning Commission Minutes dated February 8, 2007 (scoping hearing)
- K. Planning Commission Minutes dated July 13, 2003 (concept hearing)
- L. Upper State Street Area Design Guidelines (excerpt)